

SECTION VI: RECORDKEEPING

A. What Records are Required?

A lawyer maintaining a trust account or a fiduciary account at a bank must keep the following records:

1. A record of receipts. This can be a journal, file of receipts (including wire and electronic transfer confirmations), file of deposit slips, or a collection of checkbook stubs. The record of receipts must list the source, client, and date of the receipt of all deposited funds. Rule 1.15-3(b)(1). *[For examples of properly composed deposit slips, see Appendix B3, B4.]*
2. All canceled items drawn on the account or printed digital images thereof. Rule 1.15-3(b)(2). Digital images stored on CD-ROM will satisfy the requirements of Rule 1.15-3(a)(2) and (b)(2). 2001 FEO 14.
3. All instructions or authorizations to transfer, disburse, or withdraw funds from the account (including electronic transfers or debits) or a written or electronic record of any such transfer, disbursement or withdrawal. The record must show the amount, date, recipient of the transfer or disbursement, and the client to whom the funds belonged. Rule 1.15-2(b)(3).
4. All bank statements or documents received from the bank regarding the account. Rule 1.15-3(b)(4).
5. For a general trust account, a ledger containing a record for each person or entity from whom or for whom funds were received which shall accurately maintain the current balance of funds held for that person or entity. Rule 1.15-3(b)(5). *[For examples of general trust account ledgers, see Appendix B5, B6].*
6. All records pertaining to the quarterly and monthly reconciliations of the general trust account with the statements provided by the bank. Rule 1.15-3(d).
7. All records required by law. Rule 1.15-3(b)(6).

How long should you keep records?

A lawyer must retain trust account and fiduciary account records for the six-year period immediately preceding the lawyer's most recent fiscal year end. Rule 1.15-3(g).

May trust account and fiduciary account records be kept electronically?

Yes, if the records are retrievable in hard copy or in digital form for the required six-year period. Rule 1.15-3(g).

How often should a lawyer provide an accounting to a client for the client's trust funds?

An accounting must be provided to the client upon the completion of the disbursement of the client's funds and at such other times as may be reasonably requested by the client. If trust funds are retained for more than one year, the lawyer must provide annual accountings. All accountings must be in writing. Rule 1.15-3(e). *[For an example of a written accounting, see Appendix B7, B8.]*

Do accountings for funds in a trust account have to be in a particular form?

No. It is often possible to satisfy the accounting requirement by providing copies of documents generated during the representation, such as a settlement statement describing disbursements incident to the resolution of a tort claim or a HUD-1 statement describing the disbursement of the